

The Supreme Court Update - May 9, 2024

by Ian Blodger, Jessica M. Leano, and Brock Huebner

Today, the Supreme Court of the United States issued two opinions:

Culley v. Marshall, No. 22-585: This case addresses the due process rights that apply to civil forfeiture proceedings. Petitioners in this case each loaned their vehicles to third parties—a son and a friend—and those vehicles were later seized by police in Alabama after the third parties were arrested. Alabama law permits such civil forfeiture incident to arrest as long as the State “promptly” initiates a forfeiture case. Alabama’s forfeiture statute also provides an affirmative defense that allows “innocent owners of property subject to forfeiture,” to recover their vehicle. Despite initiating the case itself within days of the seizure, the state court did not hold a preliminary hearing, and petitioners waited over a year to recover their vehicles. The Petitioners brought putative class action suits arguing that the state court had violated their due process rights by failing to hold a preliminary forfeiture hearing to determine whether the forfeiture was justified. The district court dismissed the claim and the Eleventh Circuit affirmed, holding that a timely forfeiture hearing afforded claimants due process and that a separate preliminary hearing is not required by the constitution. In a 6-3 decision authored by Justice Kavanaugh, joined by Chief Justice Roberts and Justices Thomas, Alito, Gorsuch, and Barrett, the Supreme Court affirmed, holding that in civil forfeiture cases involving personal property, the Due Process Clause requires a timely forfeiture hearing but does not require a separate preliminary hearing. Justice Sotomayor dissented and was joined by Justices Kagan and Jackson arguing the Court should have decided only which due process test governs whether a preliminary hearing is required, leaving it to the lower courts to apply that test to different civil forfeiture schemes.

View the [Court's decision](#).

Warner Chappell Music, Inc. v. Nealy, No. 22-1078: This case interpreted the Copyright Act’s three-year statute of limitations period. 17 U.S.C. § 507(b). Sherman Nealy sued Warner Chappell Music, seeking copyright infringement damages going back ten years. To do so, Nealy invoked the “discovery rule” to argue his lawsuit was timely

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because he filed suit within three years of discovering the alleged infringement. Warner argued that even if the discovery rule rendered the suit timely, any damages must be limited to infringing conduct that occurred during the three-year statute of limitations period. Today, in a 6-3 opinion authored by Justice Kagan, the Court held that the three-year statute of limitations period only governs when a lawsuit must be filed—it does not limit the temporal scope of available damages. Assuming without deciding the discovery rule rendered Nealy's lawsuit timely, the Court determined he was allowed to seek the full ten years' worth of damages. Justice Gorsuch (joined by Justices Thomas and Alito) dissented, arguing that the discovery rule is likely inapplicable to Copyright Act claims, absent allegations of fraud or concealment.

View the [Court's decision](#).